

O'MELVENY & MYERS LLP

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Manchester Library Company LLC, and
Heatherden Securities LLC*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:) Chapter 11
)
RELATIVITY FASHION, LLC, <i>et al.</i> ,) Case No. 15-11989 (MEW)
)
)
Debtors.) Jointly Administered
)

**DECLARATION OF DANIEL S. SHAMAH IN SUPPORT OF MANCHESTER
SECURITIES CORPORATION, MANCHESTER LIBRARY COMPANY LLC, AND
HEATHERDEN SECURITIES LLC'S OBJECTION TO THE DEBTORS' MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS
TO (A) OBTAIN POST-PETITION FINANCING AND (B) USE CASH COLLATERAL;
(II) GRANTING THE PREPETITION LENDERS ADEQUATE PROTECTION; (III)
SCHEDULING A FINAL HEARING; AND (IV) GRANTING RELATED RELIEF**

I, Daniel S. Shamah, do hereby declare under penalty of perjury pursuant to 28 U.S.C. §
1746 the following:

1. I am a member in good standing of the bar of the State of New York and an
attorney with the law firm of O'Melveny & Myers LLP. I represent Manchester Securities

Corporation, Manchester Library Company LLC, and Heatherden Securities LLC (collectively, “**Manchester**”) in the above-captioned matter.

2. I respectfully submit this declaration in support of *Manchester Securities Corporation, Manchester Library Company LLC, and Heatherden Securities LLC’s Objection to Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing and (B) Use Cash Collateral; (II) Granting the Prepetition Lenders Adequate Protection; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief* (the “**Objection**”).

3. Attached hereto as **Exhibit A** is a true and correct copy of the Fifth Amended and Restated Limited Liability Company Agreement of Relativity Holdings LLC, dated April 23, 2015.

4. Attached hereto as **Exhibit B** is a true and correct copy of the Amended and Restated Subordination Agreement, dated December 21, 2012.

5. Attached hereto as **Exhibit C** is a true and correct copy of the Deposition of Brian Kushner, Ph.D., dated August 11, 2015, filed under seal.

6. Attached hereto as **Exhibit D** is a true and correct copy of the Hollywood Reporter article entitled *Relativity’s Ryan Kavanaugh Breaks Silence, Points Fingers in Emotional Post-Bankruptcy Interview*, dated Aug. 5, 2015.

7. Attached hereto as **Exhibit E** is a true and correct copy of the Forbearance Agreement, dated June 1, 2015.

8. Attached hereto as **Exhibit F** is a true and correct copy of Amendment No. 1 to the Forbearance Agreement, dated July 16, 2015.

9. Attached hereto as **Exhibit G** is a true and correct copy of email correspondence, dated June 13, 2015, filed under seal.

10. Attached hereto as **Exhibit H** is a true and correct copy of email correspondence dated June 13, 2015, filed under seal.

11. Attached hereto as **Exhibit I** is a true and correct copy of email correspondence dated July 26, 2015, filed under seal.

12. Attached hereto as **Exhibit J** is a true and correct copy of the Draft Catalyst Term Sheet, dated August 7, 2015, filed under seal.

13. Attached hereto as **Exhibit K** is a true and correct copy of the Sales and Distribution Services Agreement, dated as of May 30, 2012.

14. Attached hereto as **Exhibit L** is a true and correct copy of the transcript of the “First Day” Hearing held on July 31, 2015.

Dated: August 19, 2015

By: /s/ Daniel S. Shamah
Daniel S. Shamah